

JANET NAPOLITANO
GOVERNOR



STATE OF ARIZONA
DEPARTMENT OF HOUSING

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FRED KARNAS
DIRECTOR

September 8, 2008

Gila County

Attn: Malissa Buzan, Housing Services Manager
5515 S. Apache Street, Suite 200
Globe, AZ 85501

RE: FY2008 Community Development Block Grant Application
Owner-occupied Housing Rehabilitation
Response due: October 8, 2008

Dear Ms. Buzan:

The Arizona Department of Housing (the Department) has received and reviewed your Community Development Block Grant Application.

During the pre-award assessment of your project, the following items needing action were identified and must be addressed prior to issuance of an award of funding.

Action Items

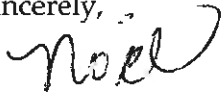
1. Form 1 – Revise form to provide \$136,646 for total budget (not \$136,646.59). Adjust Admin amount to equal 20% of total, or \$24,596. Activity 2 will have \$112,050.
2. Form 2 – Revise to show a total of \$24,596 and delete \$2000 in Row 9.1, Column c.
3. Form 2 – Provide an indirect cost plan (\$2000 budgeted for indirect costs).
4. Form 3 – Revise to show a total of \$112,050. Maximum budget for rehab services in row 8 will be \$22,410.
5. Form 3 – Will the ERR be paid out of Admin?
6. What if the County needs to move someone out of their home during rehab work? There is no budget for temporary relocation expenses.
7. Form 8 – Given that the County has typically spent \$30-40K on each rehab, I would recommend we write the scope of work to finish 3 units, not 4. Need to revise this form to adjust number of units and people to be served. Also should mention that the maximum amount of rehab work allowed is \$75K (in HRCs), but the average for this project will be about \$37,000.
8. Q: Does the County allow rehab work in flood plains?

9. Form 12 – numbers need to reflect housing units (3), not people.
10. Certification – This document needs to be signed and submitted to ADOH.
11. Disclosure Report – Last page needs to be filled out, and the Board Chair needs to sign it. Re-submit to ADOH.
12. Public Participation – In the future, all publications should include a TDD or TTY number for communication.

The attached Draft Scope of Work includes the relevant HUD Performance Measurements required as a part of project compliance. *Signatures from both your contract administrating staff and local government authorized signatory are required indicating your review and approval of the Draft Scope of Work. The signed Draft must be returned with your response to this letter.*

The Department looks forward to working with you on this project. If you have any questions, please contact me at (602) 771-1043 or via email at noels@housingaz.com

Sincerely,



Noël Schaus

Community Development and Revitalization Programs Specialist

cc: Katherine E. Blodgett, Community Development and Revitalization Programs Administrator
✶ Dave Fletcher, Director, Division of Health and Community Services, Gila County

SCOPE OF WORK

Gila County – Owner Occupied Housing Rehabilitation

Activity #1 - Administration

\$24,596 CDBG

To carry out all required actions to administer activities funded from the **FY 2008 CAAG Regional Account for Gila County**. Actions are to include requisite record keeping, reporting, monitoring and all other actions necessary to ensure compliance with CDBG Program requirements as identified in the 24 CFR 570.500 –570.614 and current Arizona Department of Housing Handbooks.

Activity #2 – Owner Occupied Housing Rehab (OOHR)

\$112,050 CDBG

To use CDBG funds to rehabilitate approximately 3 single-family, owner-occupied homes within the unincorporated areas of Gila County (excluding Reservation land). Assistance will be provided in the form of forgivable, non-interest bearing deferred payment loans. Participants will be selected from a Gila County Housing Rehab list, on a first-come, first served basis.

Gila County staff will provide all rehab services and will competitively procure qualified, license and insured contractors to provide all construction services.

This activity will meet the Housing Low to Moderate Income National Objective (LMH) and will benefit approximately 3 households (6 people) all of which are low-to-moderate income.

HUD Performance Measures

Objective: Decent, Affordable Housing

Outcome: Improve Affordability

Indicator(s): Number of Low-Mod Households Served

Data Collection Methodology: Inspection of rehab performed.

Signature of CEO for the Unit of Local Government

Date

Signature of Contract Administration Staff for the Unit of Local Government

Date